UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA SOUTHERN DIVISION - SANTA ANA

SPITZ TECHNOLOGIES CORPORATION, ) CASE NO: 8:17-CV-660-JVS-JCG
)

Plaintiff, ) CIVIL
)

vs. ) Santa Ana, California
)

NOBEL BIOCARE USA, LLC, ET AL, ) Monday, November 13, 2017
)
Defendants. ) (2:29 p.m. to 3:00 p.m.)

- 1. DEFENDANTS' MOTION TO COMPEL ANSWERS TO INTERROGATORIES OF SPITZ TECHNOLOGIES CORPORATION [52];
- 2. PLAINTIFF'S MOTION TO COMPEL ANSWERS TO FIRST SET OF REQUESTS FOR THE PRODUCTION OF DOCUMENTS AND THINGS AND FIRST SET OF INTERROGATORIES TO NOBEL BIOCARE USA LLC [56]

BEFORE THE HONORABLE JAY C. GANDHI, UNITED STATES MAGISTRATE JUDGE

APPEARANCES: SEE PAGE 2

Court Reporter: Recorded; CourtSmart

Courtroom Deputy: Kristee Hopkins

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**APPEARANCES:** 

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For Defendants: JOHN B. SGANGA, JR., ESQ.

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EXCEPTIONAL REPORTING SERVICES, INC

## Santa Ana, California; Monday, November 13, 2017; 2:29 p.m. (Call to Order)

- 3 THE CLERK: Calling Case Number SA CV 17-660, that's Spitz Technologies Corporation versus Nobel Biocare USA. 4
- Counsel, please your appearances for the record. 5

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- MR. WEIR: Good afternoon, your Honor. Jan Weir and 6 7 Kathrine Brandt for the plaintiff, Spitz Technology [sic].
- MR. SGANGA: Good afternoon, your Honor. John Sganga 8 and Sheila Swaroop with Knobbe Martens for the defendant, Nobel 10 Biocare.
- 11 **THE COURT:** All right. Good afternoon, everyone. 12 Thanks for your patience.
  - So here's what I'm going to do. I'm going to go first and then if you want to discuss a particular point, we can but I'm not anticipating a whole lot of argument. So let's go first on Nobel's Motion to Compel.
  - I'm going to grant as to Rog 4 and the Document Requests 15, 48 and 49. I'm going to grant, in part, on the Document Requests for 16, 18 and 22. And the grant, in part, is, essentially, let's get a declaration about a reasonable inquiry, diligent search, no docs, and not withholding on the basis of privilege.
- 23 And then I'm going to grant on 28 and 29. Those are 24 the Germany litigation docs, the European Patent 1480575. 25 Grant on 35 and 36, and grant on 37.

MR. SGANGA: Your Honor, just a clarification in terms of timeframe.

There were several declarations that the ruling related to and just wanted to have some sense of when we could expect those from the plaintiff. And if Plaintiff's Counsel wants to suggest a timeframe that they believe is reasonable, that's certainly acceptable to us.

MR. WEIR: This Friday, your Honor.

THE COURT: You want the declarations by this Friday?

MR. WEIR: I believe we can provide them, the documents and the declarations by this Friday. I do have one comment that I'd like to --

THE COURT: Shoot.

MR. WEIR: The -- 42 and 43 are the testimony of the inventors. And what they're seeking is not testimony relating to the patent in suit but, you know, for example, the two inventors are dentists. And it's possible that in the scope of their business, maybe they've sued somebody for payment of their fees, maybe they've been sued for malpractice. I don't know.

STC does not keep records of individual shareholders or other people's testimony, just like no other company really would. And so forcing STC to try and get testimony from any kind of proceeding anywhere involving the inventors, presents a serious problem. They -- the inventors don't need to cooperate

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personal oaths and affidavits and declarations of its employees
or shareholders. It's extremely broad and goes way beyond
anything that an (indisc.) company is really required to do.
          THE COURT: Do you want to be heard, just briefly?
          MR. SGANGA: Your Honor, what I haven't heard is that
any effort has been made by Plaintiff's Counsel to request
these documents to the extent they're in the possession of the
individual inventors, who also happen to be shareholders in the
Plaintiff Spitz entity.
          THE COURT: I agree. We need to at least get a
              My notes are saying get a declaration of all the
declaration.
efforts undertaken to comply so --
          MR. WEIR:
                     Thank you.
                     And get a declaration (indisc.).
          THE COURT:
          All right. Do you want to be heard on your Motion to
Compel?
          MR. WEIR:
                    No.
          THE COURT:
                      Okay.
                            So here's what I'm inclined to do.
I'm going to give you some thoughts on your Motion to Compel
though.
          Your Motion to Compel actually struck me as sort of a
tit for tat and I didn't appreciate that either. So they're
coming in for substantive documents and you feel like you have
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to have another motion just to put in front of me, the messy --

make it all messy and so you're picking on these little things.

- You're complaining about, you know, rolling production when we 1 2 don't have a February cutoff until what is it? February? I'm actually being more sharp about it than they are because 3 I've seen people do this kind of thing and I don't appreciate 4 5 it. Don't do that again. Do you understand? Again, I'm not looking for a lot of argument today. I just want to know you 6 7 understand that this is not an idea just to create discovery 8 disputes. 9 MR. WEIR: Absolutely I understand that. THE COURT: All right. So here's what I'm inclined 10 I'm inclined to deny it in its entirety. If there's 11 12 something in particular that you want me to address, I will. 13 Do you still have general objections in your -- some 14 of your responses? If you have those, just get rid of them. 15 MR. SGANGA: Your Honor, our communication in the meet and confer was that we are not relying on the general 16 17 objections. We thought we made that clear in the October 24th 18 letter. I'm happy to say here the general objections are not 19 being relied upon by Nobel. 20 THE COURT: Okay. Let me tell you something else 21
  - about that I didn't appreciate.

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I'm reading through the supplemental and the opening paragraph, like the summary -- right? -- the most valuable real estate on the page is, "They won't remove the general objections." Then I get into the meat of it and the first

paragraph is, "At our meet and confer, they agreed to remove them." I'm not sure what you were doing. If you were trying to frustrate me, you have accomplished that. Congratulations. But I don't think that it behooves you to do that. I don't think it's an advantage, other than you want me to read a lot.

MR. WEIR: May I respond please?

THE COURT: By all means.

MR. WEIR: So we did have an -- Mr. Sganga did say they were going to remove the general objections. Then we received supplemental discovery responses which still asserted the general objections. Since then, we received additional discovery responses from them; which, again, reassert the general objections in exactly the same format they did. So formally, they have not withdrawn the general objections, they've continued to assert them in every discovery response we've got since then, since the meeting of counsel. So the fact that he said it, informally during the conference, they didn't follow through with it. They still asserted them. So the issue still was ripe, as far as I saw.

Secondly, our interrogatories, those are contention interrogatories. And they specifically told me at the meeting of counsel that they were not going to state all facts, they were only going to just give me whatever facts they choose to give, not all facts. And these go to their affirmative defenses. And I've asked them, for example -- one answer, for

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    example, says they're going to be -- they're going to be
    prejudiced. It provides no detail, no evidence, no statement
 3
    of how they're going to be prejudiced.
              On the estoppel argument, they say -- they argue that
    they -- there was a transfer of --
              THE COURT: Let me pause you on the state all facts.
 7
    Do you know in federal court some courts have concluded that
    you're not allowed to ask those kinds of contention rogs?
              MR. WEIR: I am --
              THE COURT: Are you familiar with that?
11
              MR. WEIR:
                         I -- I --
              THE COURT: I have a feeling they probably cited you
13
    that authority that you're not really supposed to do that.
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              MR. WEIR: They -- I do not recall them assigning
15
    [sic] it to me.
                     What I'm --
              THE COURT: That's a State-court sort of vehicle for
17
    -- okay.
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              MR. WEIR:
                         I'm trying to get --
              THE COURT: I interrupted you.
                         What I'm trying to get, your Honor, is,
              MR. WEIR:
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    the fundamental facts that support these affirmative defenses
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    that they've alleged.
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              THE COURT: And you're going to get those from rogs?
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                         I'm asked them and they --
              MR. WEIR:
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Are you going to get them from rogs?

THE COURT:

- You're not going to depose their people? What are we going to do for a trial?
- 3 MR. WEIR: So -- so --

- 4 THE COURT: It's going to be witnesses and documents.
- 5 | Having just finished up in Los Angeles a week-long trial --
- 6 MR. WEIR: But I am aware --
- **THE COURT:** -- instead we're going to fight about the 8 rogs and the state all facts.
  - MR. WEIR: I'm aware that there is authority that says, you're better off asking contention discovery through rogs because that gives them a chance to put it down. It's a lot harder to have a lay witness come in and say, "These are the facts that amount to an equitable estoppel" or "these are the facts that amount to latches." So it's harder for a lay witness to do that in a depo than to have counsel just give me the facts that they say that support these affirmative defenses.
  - THE COURT: Okay. Well I'm going to go back to my macro principle. You know, when it comes to a patent case and there's sophisticated counsel, you-all need to resolve these on your own. And sort of bringing these things up to me is not going to help your situation. And I thought about awarding fees. And I'm not going to at this juncture but I -- I'm not going to see you folks again, right?
- 25 MR. WEIR: I certainly hope so. You know, I -- like

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1 I said --
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2 THE COURT: Am I going to see you again?

3 MR. WEIR: I'm fearful --

4 THE COURT: I don't plan on it.

5 MR. WEIR: I'm fearful that I'm going to be ambushed 6 at trial with a bunch of discovery I've never received.

THE COURT: If you never received it, that's the great thing about federal court. It ain't coming in. If you asked for it and if they didn't turn it over, you're good.

It's a little different than State court. Can't use it. Ask 'em. You'll be good. He's not going to -- I forgot who you're in front of. Are you in front of Judge Selna or Judge Guilford?

MR. WEIR: Selna.

**THE COURT:** It ain't gonna come in.

But I don't want to see this anymore. I don't want to -- I assure you, to see the Motion to Compel the first time after I kind of indicated where I was headed, to see it, it kind of really disappointed me. I thought -- I didn't think I was going to see you after that. So ... if there's something in particular you want from the -- if there's something truly particular that you want from them, tell me now because I have to tell you, you know, by the time -- you put your document production request at the very end of your joint report so by the time I got there, I was looking through them, you know -- I

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    mean, what was the first one? That you didn't get financial
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    data past six years?
                         They are alleging that the patent in this
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              MR. WEIR:
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    case is --
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              THE COURT: What's the statutory period?
                         It doesn't matter. They are alleging that
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              MR. WEIR:
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    the patent in this case is obvious. Their sales go back longer
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    than six years. It is perfectly appropriate in patent cases to
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    use the accused products' infringing sales as evidence of
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    commercial success.
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              Also, at the same time, they had another product
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    that's not accused of infringement. And the sales, the
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    comparative sales between those products will establish that
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    the accused products was highly, highly commercially
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    successful. And what they're doing is is they're blocking me
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    from proving commercial success, which is very important,
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    because they're not giving me the full data. It's a --
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              THE COURT: I disagree.
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                         It's a computer printout.
              MR. WEIR:
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              THE COURT: I was suggesting I would -- didn't want
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    to hear argument, you know. I guess I should echo that.
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              I guess my point to you -- and I want you to follow
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    me on the bigger point -- is that when I get there and I see
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    the six years. And I turn to Request 14 which is, they already
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Get to Request 15, I get briefing on an

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produced the docs.

- 1 | issue that's been resolved. That -- that was -- thank you.
- 2 | Because I don't have enough to actually do. Sixteen and 17,
- 3 | you're complaining about a rolling production?
- 4 MR. WEIR: They still haven't finished producing
- 5 | their documents but --
- 6 THE COURT: I mean, really? You're complaining to me
- 7 about a rolling production when the discovery cutoff's not till
- 8 February. I mean --
- 9 MR. WEIR: But we have to do follow up stuff --
- 10 THE COURT: You get to Request Number 18 which is
- 11 | literally, all docs regarding all communications ever. You
- 12 | don't want to see what my notes said. I assure you, you don't.
- 13 | You really don't want to see what they say, half of which I
- 14 | haven't even stated to you, other than to say that the whole
- 15 | sense I got from that motion was, "You're gonna file a motion;
- 16 | I'm gonna file a motion". May --
- 17 MR. WEIR: No, I respectively submit that was not the
- 18 case.
- 19 **THE COURT:** Maybe -- maybe I'm wrong.
- 20 MR. WEIR: I'm legitimately trying to get discovery
- 21 so I can take the case to trial.
- 22 | THE COURT: Okay. I'll take you at your word. You
- 23 | take me at mine. I don't want to see you again. That's kind
- 24 of -- I mean, that's got to be kind of shining through right
- 25 | now, right? I mean, you need to resolve these discovery

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    disputes on your own. Yeah, I really need you to work together
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    and I need the two lead counsel to get in, meet with each
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    other, and you guys get on the phone and resolve it from now
    on. Am I being clear?
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              MR. SGANGA: Understood, your Honor.
              MR. WEIR: Understood.
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              THE COURT: Okay. So I'm going to go back.
                                                           I'm
    going to give you this one final time. Is there something very
    particular, surgically, that you need that you're not getting?
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              MR. WEIR: I honestly do not believe they've given us
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    a full response to our contention discovery. But if the --
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    if --
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              THE COURT: You mean the rogs?
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                         The rogs.
                                    They are not -- they are not
              MR. WEIR:
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    fully responsive. But if you're -- if they can't use anything
    they're not giving me -- which is that I said during our meet
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    and confer. If you just want to say right now you can't use
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    it, I'm fine. But what I don't want to have happen is, going
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    to trial -- 'cause it's happened -- where somebody all of a
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    sudden comes in and says, now -- now when they -- now when it
21
    really counts --
22
              THE COURT: What -- what contention rog? Which one?
23
                         There's -- I don't know off the top of my
              MR. WEIR:
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    head.
           The ones --
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Tell --

THE COURT:

Ms. Brandt, you can just tell me. What -- the response to Rog Number 2, what more were you looking for? What information were you looking from from them?

MR. WEIR: They've made allegations of reliance and prejudice. It's very conclusory. They say that they moved shipping from Switzerland to the United States. There's no dates, there's no documents, there's no identification of any document that reflects that their -- the -- what they did. They're prejudiced. When they did it. So I don't have any information. I have an allegation, a broad allegation that they've been prejudiced because some manufacturing was moved from one location to another but nothing of substance beyond that.

THE COURT: And you haven't gotten it from depositions? You haven't taken the depositions.

MR. WEIR: We -- we've taken their Rule 36(b)(6) deposition. The one witness didn't know anything. The other witnesses are -- were on different subjects so I can't tell you right now whether or not we served the Rule 36(b)(6) deposition that specifically asked for all facts relating to the affirmative defenses. I don't recall that we have.

MR. SGANGA: Your Honor, the supplemental response is Exhibit 20 to Ms. Brandt's Second Declaration. And we laid out the events that we plan to rely on as showing prejudice. And certainly there is this move of the manufacturing facility. We

think this is an appropriate response in an interrogatory to identify the decisions that were made and the events that occurred that we believe were relevant to this particular defense. And certainly to the extent that we're going to present any evidence on this, we're going to have to stick to the categories that we've identified here. And there have not yet been any depositions on this. And certainly the specifics of what that move of the production facility entailed are things that we would expect to get explored further in discovery.

what he just said was the category of documents which means he's giving me a broad answer but nothing specific about when was the move? Who were the witnesses? Who can I depose that has knowledge about this event or the other events that they referred to in the interrogatory response. That's -- that's what we're looking for is the identity of the documents that reflect this alleged prejudice, or reliance, and the witnesses that we can -- that supposedly have knowledge about it. So if we can, we can depose them. And so we have an allegation, an assertion, but nothing below it.

And if your Honor did -- if your Honor ruled, for example, they cannot introduce into evidence any testimony or documents not identified in that interrogatory response, I'd be perfectly satisfied because I'd bring my motion for summary

judgment. But they -- they haven't and they're hedging it and so we're not getting a full response.

And just by way of background, we were in front of Judge Selna already on a motion. And Judge Selna told me to serve a contention interrogatory so we served a contention interrogatory trying to get the information. Okay? So, you know, they've made allegations about licenses and proposed licenses and they've made a lot of these allegations and they're not backed up by anything. And so what we're trying to do is nail it down so that I can re-bring my motion to get rid of this defense.

what Judge Selna said; I don't know why you were there. But if he told you to bring a contention rog, I've got to tell you, I usually am not getting motions to compel on rogs because my visceral reaction is, depose them. And so in that vein, I'm wondering, if this is so important, why you just don't put a 30(b)(6) category and ask them. But -- but -- but I'm going to give it to you. So what I'm going to ask them to do -- it's Interrogatory Number 2 -- is give you a more robust response to that. And I'll order them to supplement within -- I don't know -- you tell me. Can you do it in seven days?

MR. SGANGA: I think that would work, your Honor.

THE COURT: Okay. It's going to have the same thing at the bottom though that says, "As we gain more information,

- we're going to supplement again." You know that? Right? I
  mean, you know how this all fits together.
- 3 MR. WEIR: Well but I understand --
- 4 **THE COURT:** Okay.

as disingenuous but --

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- MR. WEIR: -- that people make objections. The point is, is this is an affirmative defense. This is something where they're saying, "These events happened to us and we relied on these events". So for them to say that they need some other discovery to figure out what it is that they did, it strikes me
- 11 **THE COURT:** Okay. But you got it. Is there anything
  12 else that you surgically want that you really, really care
  13 about?
  - MR. WEIR: I would like to have the financial information going back to the original sales. To the -- it was introduced apparently in 2008. So for the -- the accused product, I would like it to go back to the date of introduction so I can make the case that the product was commercial successfully -- was commercially successful in response to their invalidity arguments. It's like three years or more -- of more sales data.
- THE COURT: You already produced the 2011, right?

  April 2011?
- MR. SGANGA: Correct, your Honor. And I think the
  issue here is going to be the format of that data. As it gets

1 older, it may be on a Legacy computer systems. 2 plaintiffs have requested sales broken down my month -- which we may not be able to do if we're going back earlier in time. 3 And so there's a point at which -- there have been a lot of 4 5 Going back to 2011, there's a lot of sales. think that the marginal value to that -- that commercial 6 7 success issue is going to be significant going back earlier. 8 What we'd be willing to do is to explore just how easily we can 9 get some of that pre-2011 sales data. It may not be in the 10 same format and as itemized as specifically as Plaintiff has 11 asked us to do with respect to the sales that have been 12 post-the statute of limitations period. 13 THE COURT: I have a feeling Mr. Weir is going to 14 object to the "explore." 15 All right. You can have it. 2000 -- produce the information to 2008. That's when the product first came 16 17 online? I believe 2008 was the first sales. 18 MR. WEIR: Ιt 19 could have been --20 MR. SGANGA: Seven. So we've already given general 21 sales --22 Oh, so you have to go back four years. 23 MR. SGANGA: Correct. We've given sales on an annual 24 basis back to 2009. So now we're -- now we're talking about

So -- and again, if we can do it on

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another two-year period.

- an annual basis, I'm much more confident that it's something that will be doable.
- 3 **THE COURT:** Does that serve your purposes if you get
- 4 | it on an annual basis as opposed to month-to-month?
- 5 MR. WEIR: Yes.
- 6 THE COURT: Okay. Okay. And we'll do it all the way
- 7 | back to when the product first went online. So 2007?
- 8 MR. WEIR: Seven, yes.
- 9 THE COURT: Okay. Okay. So 2007 to -- you've 10 already produced up to '11 so 2007 to 2010 sales.
- So you got your two things, right? The equitable
  estoppel that you wanted and the sales? I'm not going to ask
  again if there's anything else you want because you're going to
- 14 give me something else.
- 15 MR. WEIR: Those are the most critical things, your 16 Honor, thank you very much.
- 17 **THE COURT:** Okay. If those are -- if those are the most critical, then you've got those.
- Can you do me a favor please both of you? This is
  one of them. The other one is here. There's a lot of other
  things going on and so try not to get into anymore discovery
  disputes. Can you tell me that you two will call each other --
- 23 MR. WEIR: Absolutely.
- 24 | THE COURT: -- meet with each other, have a
- 25 | Starbucks? Something? Please?

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              MR. WEIR: I think Mr. Sganga and I normally can work
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    things out so I think that's a great idea with Mr. Sganga and I
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    are involved in these negotiations.
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              THE COURT: Perfect.
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              MR. SGANGA: Certainly, your Honor.
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              THE COURT: I'm going to assume that you will agree
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    with that. All right. Nothing further for me, right?
 8
         (No audible response)
 9
              Anything further from you?
              MR. WEIR: No.
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11
              MR. SGANGA: No, your Honor.
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              THE COURT: Good luck with your case, folks.
13
              MR. WEIR:
                         Thank you.
14
                          Thank you.
              THE COURT:
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              THE CLERK: All rise. This court is adjourned.
         (Proceeding adjourned at 3:00 p.m.)
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## CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

Join 1 Judan

November 15, 2017

Signed

Dated

TONI HUDSON, TRANSCRIBER